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Senate

(Legislative day of Monday, January 30, 1995)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by a guest chaplain, the Reverend Richard C. Halverson, Jr., Arlington, VA.

PRAYER

The guest chaplain, the Reverend Richard C. Halverson, Jr., of Arlington, VA, offered the following prayer:

Let us pray:

Almighty God, Thy Word declares: "And thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind, and with all thy strength: This is the first commandment. And the second is like, namely this, thou shalt love thy neighbor as thyself. There is none other commandment greater than these."

Lord, on this St. Valentine's Day, as we labor to pass important legislation, cause us to observe that preeminent law which was decreed at the beginning of time, which is revered in every religion, and which is the foundation of every good law, the law of love.

Help us, Lord, to love Thee, whom we most often neglect. Help us to love our neighbor, whom we cannot always select. Help us to love ourselves, whom we sometimes do not accept. And help us to love our country in the laws we here direct.

In the name of Him who is incarnate love, Jesus Christ. Amen.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of House Joint Resolution 1, which the clerk will report.

The assistant legislative clerk read as follows:

A House joint resolution (H.J. Res. 1) proposing a balanced budget amendment to the Constitution of the United States.

The Senate resumed consideration of the joint resolution.

Pending:

Reid amendment No. 236, to protect the Social Security system by excluding the receipts and outlays of Social Security from balanced budget calculations.

Mr. REID addressed the Chair.

The PRESIDENT pro tempore. The distinguished Senator from Nevada.

Mr. REID. Mr. President, I ask unanimous consent that—the Senator from Utah will soon be here, is that right?

Mr. LOTT. Yes.

Mr. REID. I ask unanimous consent that the Senator from Utah and the Senator from Nevada each have 7½ minutes. That was the original agreement, and it will put off the vote for approximately 3 or 4 minutes.

Mr. LOTT. Mr. President, that is my understanding. I think we can go ahead and begin. Perhaps the Senator can take his time and Senator HATCH will be here momentarily.

Mr. REID. I am going to reserve the final 2½ minutes because it is my amendment.

Mr. BUMPERS. If the Senator will yield, is he saying the vote will not occur until when?

Mr. REID. Within 3 or 4 minutes of 9:30.

Mr. BUMPERS. I thank the Senator.

Mr. LOTT. If the Senator will yield 1 second more, I understand that the majority leader, Senator DOLE, wants 2 minutes at the very end.

Mr. REID. I forgot to mention that Senator DASCHLE is also going to speak for a brief time.

Mr. BUMPERS. I wanted to point out, Mr. President, that if I do not leave here at 9:30, I am not going to get to make a speech. Obviously, I am not going to be able to make that speech.

Mr. REID. Mr. President, I ask the Chair to advise me when I have 2½ minutes remaining.

Mr. President, Social Security is presently running huge surpluses. This year, \$70 billion; in 2002 over \$700 billion, and a few years after that, it will be \$3 trillion.

It now appears that there are people who want to tap into that surplus in an effort to balance the budget. My amendment draws a line in the sand that says you cannot tap Social Security to balance the budget. Those Social Security trust funds which have been set aside for some 60-odd years, should be kept in the trust fund and they should not be looted. It should not become a Social Security slush fund. It is unfair to seniors, unfair to the baby boomers, and certainly unfair to today's youth, to raid the Social Security trust fund.

This Congress realizes this. This Senate realized this when, in 1990, by a vote of 98 to 2, we set up Social Security as a separate part of our revenues. It was no longer part of the general revenues of this country. A vote to kill my amendment will mark the death knell, I predict, of Social Security.

Everybody in this Chamber has made public pronouncements that they want to protect Social Security. The only way to protect Social Security is by voting for my amendment.

Mr. President, if you try to do it by implementing legislation, it is unconstitutional once the underlying amendment passes. Anything less than my amendment would be an express statement that you are willing to have the

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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fox guard the henhouse or allow Willie Sutton to guard the bank.

Those watching this debate should not be fooled by transparent arguments being put forth as to why my amendment will not work. The amendment simply says Social Security shall not be used to balance the budget. That is all it says.

No one watching this debate should be under any illusions about what this vote is about. A vote to kill this amendment means that Social Security will be used to balance the budget of this country. That would be unfair.

There have been advertisements in the State of Nevada and around the country by the Republican National Committee to try to get me to back off this amendment. I am not going to. There is not enough money in the world to stop me from doing that, because I am obligated not only to protect today's senior citizens but my children's vested interest in Social Security, and my children's children.

They have a right, of course, to put out these advertisements. I recognize that. But rights carry responsibilities. And it is simply irresponsible to jeopardize the viability of Social Security. The reason they are after Social Security is because that is where the money is. As we all know, you cannot balance the budget with ease unless you use Social Security moneys. They are wanting to say: "OK, I did what I could to protect Social Security. I am sorry the amendment passed and now we must use Social Security to balance the budget." That is wrong. They want to be able to take the billions and billions and even trillions of dollars out of the Social Security trust funds to balance this budget. A vote to kill or defeat my amendment will allow them to do just that. It is not right, it is not fair, and it is not equitable.

I reserve the remainder of my time.

Mr. HATCH addressed the Chair.

THE PRESIDING OFFICER (Mr. THOMAS). The Senator from Utah.

Mr. HATCH. Mr. President, as we approach the vote to table the Reid amendment, which would carve out a constitutional exemption for Social Security from the balanced budget amendment, let me just express a few last thoughts.

First, let me thank the distinguished Senator from Nevada and those on both sides of this debate for comporting themselves with dignity throughout this debate. There are differences of opinion, but there has not been any rancor in this debate. I attribute that to my friend and colleague from Nevada, and we can all be proud of that.

Now, let me just point out why the Senate should reject the Reid amendment, in addition to the fact that writing a statute into the Constitution really should not be done. That is why we have implementing legislation. And this amendment provides that we shall have implementing legislation to do

exactly what the distinguished Senator says.

Mr. President, let us just be honest about it. The Social Security trust fund is off budget, but the Federal Government is borrowing from it daily and giving a piece of paper, an IOU, for the repayment. If we do not do something to straighten out the budgetary problems of this country and do something about the deficit, those IOU's are going to be worthless pieces of paper, no matter what this amendment seems to say.

The fact of the matter is that not only will they be worthless pieces of paper, but this country is not going to be able to pay for Social Security or any other programs in the future if we do not get spending under control, especially deficit spending which drives up our interest costs and crowds out our ability to spend on anything else. The only way we are going to get spending under control is if we put a fiscal mechanism into the Constitution that requires us to do so.

Also, if you refer to a statute, as my good friend and colleague would like us to do here, if you write a statute into the Constitution, as it were by reference, you are talking about putting in tremendously convoluted and technical language and giving quasi-constitutional effect to language like this here on this poster. We would not know from week to week what the Constitution means as long as Congress can amend the underlying language of the statute referred to. That is just one illustration.

Let me give you another illustration on this next poster. It is a technical amendment to the Social Security Act in the sections referenced by the pending amendment. This is not constitutional language. But all of these details would have some type of constitutional significance under the pending amendment.

Let me further illustrate the complexity involved in referring to a statute in the Constitution. This poster shows just one of the definitions in the statute as referred to by the amendment. Is this constitutional language? It covers pages in the United States Code. And, Congress could make whatever changes it wants to in the Constitution any time it wants to by a mere 51-percent vote by merely changing the underlying statute. Or perhaps the opposite is true: Perhaps we could only amend the underlying statute through the process of a constitutional amendment. My sense is that the former is the more likely, that the meaning of the Constitution could be altered by altering the referenced statute.

Mr. President, look at this statutory language on disability insurance benefit payments in the statutory definitions of "disability" and "benefit payments" on this poster. And this is just one set of definitions in the United States Code, covering a number of pages. There are thousands of pages on the subject of the pending amendment

and thousands of regulations, all of which would be written into the Constitution by reference. It would become the biggest loophole we could imagine. It would make the balanced budget amendment a totally worthless piece of paper and it would denigrate the Constitution.

Last week, we voted 87 to 10 to direct the Budget Committee to come up, at its earliest convenience, with a way of balancing the budget without touching Social Security, either from a revenue or from a spending standpoint. It will show that we can do what we said we could without taking the unprecedented and unjustifiable step of placing a mere statute into the text of the Constitution.

The real threat to Social Security is our staggering national debt and the high interest costs it drives. High Government debt and yearly deficits slow economic growth, make wages stagnant, increase interest costs, and can lead to inflation. All of these things hurt Social Security recipients by decreasing the amount of trust fund revenues and decreasing the real value of the benefits paid from the fund. As the mammoth pile of debt increases, the Government comes under increasing pressure and is less able to repay its debt to retirees unless it prints more money, which would drive inflation higher.

Balancing the budget is not a threat to Social Security, but a protection of Social Security for our current retirees and future ones, and is a protection against economic chaos and Government disaster. Any exemption in the balanced budget amendment can and would be used to avoid the strictures of the amendment and would be used to continue business as usual with ever-spiraling debt.

As I have pointed out here in this debate, this exemption would take the unprecedented step of writing a mere statute into the text of the Constitution and exempting that statute from the operation of the balanced budget amendment. Such a step opens a loophole that Congress can redefine in any way it wishes in the future. All the pressure of balancing the budget would be focused on adding popular spending programs into the Social Security system, endangering the primary purpose of Social Security and evading the balanced budget amendment. This course risks devastating both Social Security and our Nation's economy by allowing the dangerous spending spree to continue as it has in the past. Our growing national debt threatens the strength of our Government, our economy, and our Nation for future generations.

As we have pointed out in our balanced budget debt tracker, every day that we have debated our budgetary deficit has grown from the \$4.8 trillion that we started with, at a rate of over \$829 million a day. We are now on our 16th day since we started this particular debate, and we now have a national debt that has increased \$13,271,040,000

just in the 16 days that have expired since we started this debate.

Mr. President, the debt is the threat to Social Security. We need to enact a rule into the Constitution to end this process of spending our children's legacy and threatening our ability to meet our commitments to retirees by running up a mountain of debt that we may not be able to service much longer. Let us reject all loopholes like this one offered by the Senator from Nevada, one which ironically could endanger the very program the exemption proponents are attempting to save, and which could gut the balanced budget amendment, our last best hope for setting the Nation's fiscal house in order. Let us table the Reid amendment now, and any others like it that may be offered hereafter.

Mr. President, may I ask the Chair how much time we have remaining?

The PRESIDING OFFICER. The Senator has 1 minute 45 seconds remaining.

Mr. HATCH. I reserve the remainder of my time.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I spent a lot of time yesterday talking about honoring honesty. It occurred to me, as I was driving home last night, that no group better exemplifies those virtues than the generation now most dependent on the solvency of Social Security—that is, the Social Security trust fund—and that is the generation that fought and won World War II.

There are now events honoring those that fought and died and survived places like Iwo Jima. Yesterday, there were events that signified the fact that 50 years ago there were 2 days of intensive bombing in Germany. These grizzled veterans had a clear notion of right and wrong. They were fighting to protect future generations against the tyranny over the minds and souls of man so dark and so bloody that it had to be eradicated. They were fighting, Mr. President, for decency and for honesty, for dignity and even honor. They were fighting not only for themselves, but for their children and for unnumbered generations yet unborn.

Though there are a sprinkling yet of these heroes still serving, even in this Chamber, those victors of World War II have largely passed the torch to new hands.

Are we, Mr. President, to let its light go dim when we pass it on to the next generation? We bear—we Members of the U.S. Senate—the same responsibility to those generations yet to come as we did and do to the heroes of that great conflict.

We are faced today with a decision of whether to abrogate moral responsibility or to face it squarely and honor a promise we have made to the American people. If we fail to keep that promise, if we break our word, we have twice failed that generation of giants. We have threatened their security in the

years when the old soldier should be warmed by the fireside and his widow comforted.

Even worse, I think, in the eyes of those heroes is we have also failed to keep the commitment they made to those generations yet unborn: The promise of security for the old, the orphaned, and the infirm.

If we fail to keep that promise, may we be forgiven, for I daresay the American people have a very long memory. May we honor their memories by our vote today, by protecting the Social Security trust funds.

I reserve the balance of my time.

Mr. GRASSLEY. Mr. President, I sympathize with the amendment offered by Senator REID. But, for several reasons, I am not going to support it.

Mr. President, I do not believe that the benefits of current Social Security retirees are threatened by this amendment. For several very good reasons, those benefits will be protected as we begin to move toward a balanced budget.

It is important to remember that a balanced budget amendment will have to be implemented by enabling legislation which specifies what spending reductions and revenue increases are to be made.

In developing such enabling legislation Social Security is certain to fare well. This is true for several reasons. The Social Security Program has always enjoyed strong support in the Congress. The political power of increasing numbers of older people dependent on Social Security will certainly help to protect the program.

It is also important to remember that the Social Security system is currently running large surpluses. I believe that the income to the retirement fund from the FICA taxes will exceed the amount needed to pay beneficiaries this year by around \$69 billion. So the Social Security Retirement Program is not part of our deficit problem.

Several existing statutory provisions also protect the Social Security Program. They establish a firewall around the program. They do so in the following ways:

Any legislation which worsens the actuarial balance of the Social Security trust funds is subject to a point of order requiring a three-fifths vote of the Senate to waive.

Section 310(g) of the Budget Control and Impoundment Act stipulates that a point of order, requiring 60 votes to override, may be brought against any provision in a budget reconciliation bill pertaining to the Old Age, Survivors, and Disability Insurance Program established under title II of the Social Security Act.

This provision of the Budget Act makes it very difficult to alter the benefit and tax structure of the Social Security Program. Essentially, it requires 60 votes, rather than a simple majority, to pass changes in the Social Security Act program through reconciliation legislation.

Finally, the leadership of the House of Representatives and of the Senate has promised not to touch the Social Security Retirement Program for at least 5 years.

Mr. President, I said that I did not believe that Social Security would be the target of deficit reduction efforts and I said also that I do think that that is necessary.

In the long run, however, the Social Security Retirement Program faces a major imbalance between its own income and expenditures. And in the long run, therefore, there will have to be changes made in Social Security. I think everyone understands that. A number of Senators who have spoken in this debate in favor of the amendment to take Social Security out of the balanced budget amendment have acknowledged this point.

The most recent reports of the board of trustees of the Social Security trust funds, released in April 1994, concluded that the trust fund faces longer range funding problems.

The trustees predicted that the disability part of the system would become insolvent in 1995. They expected the buildup in the retirement part of the system to peak in the year 2020, and then be drawn down as the number of baby boomers drawing Social Security retirement increases rapidly after they begin to retire in the year 2010. The trustees estimated that the retirement fund would be exhausted by the year 2036.

Legislation enacted late last year will keep the disability trust fund solvent until the year 2015. With the enactment of that legislation, the retirement fund begins to spend out more than it takes in in approximately 2013. According to recent estimates, that retirement fund will be completely exhausted in approximately 2030.

Mr. President, I do not believe that excluding Social Security from the balanced budget amendment is going to protect the program from very difficult decisions in this longer range future I am describing.

After 2030, the non-Social Security operating accounts of the Federal Government could be in perfect balance. They would be required to be in balance by the balanced budget amendment.

But the Social Security deficit after 2030 could grow to huge proportions as the gap increases between the income to the trust funds from the FICA taxes, and the benefits paid out to beneficiaries.

If those Social Security trust funds themselves face a large Social Security deficit, how are we going to pay the benefits due to the baby boomers and the generation X'ers who follow them?

We are not going to pay those benefits from the trust fund surpluses shown on the books of the Social Security Administration. A number of Senators have already noted that, given that we have been running a large deficit for some years, the Social Security

surpluses have already been spent on the operating expenses of the Federal Government. The trust fund balances will continue to be spent for other Federal activities as long as we are running a deficit in the operating accounts of the Federal Government. This happens whether or not Social Security is an independent agency. It happens whether or not Social Security is displayed on-budget or off budget. It will happen even were we to accept this amendment to take Social Security out of the balanced budget amendment.

This happens because the balances in the Social Security trust funds are held in the form of Treasury securities—loans to the Treasury in return for which the Treasury essentially issues IOU's to the Social Security Program. When the time comes for the Social Security Administration to redeem those IOU's, the Treasury will have to find the money to pay them.

Achieving a balanced budget at some point in the future will help reduce this drain on the Social Security trust funds. But by the time we have arrived at that point we will already have spent on other Federal activities tens of billions of dollars from the Social Security funds. Those funds are not going to be there when the Social Security Administration goes to the Treasury to make good on the IOU's it holds.

Thus, when that time comes after the baby boomers begin to retire, we will face some difficult choices. We will have to substantially raise Social Security taxes. Or we will have to float massive new debt. Or we will have to cut back on benefits.

Mr. President, I am confident that the Congress will act to guarantee that the Social Security promise will be there for future generations. I am not able to say exactly how we will do that. But I remember back to the early 1980's when we had to form the National Commission on Social Security reform to figure out how to save the system from bankruptcy. We saved the system then, and we will do whatever we have to do in the future to guarantee the integrity of the system.

When that time comes, I do not believe that having Social Security out of the balanced budget amendment will shield us from the need to do one, or some combination, or those things—raise payroll taxes, float more debt, or reduce benefits—in order to maintain the integrity of the Social Security Program.

Mr. President, it is obvious that we cannot wait until the year 2030 until we begin to make changes in the Social Security Retirement Program. The baby boomers begin to retire in the year 2010. Once they have entered retirement, it will be difficult to make the changes that will be required. It will be difficult both because it would be unfair to change the terms of retirement for people already retired, even though the last Congress did just that when it raised the percentage of Social Security benefit subject to the per-

sonal income tax for retirees above a certain income level. And it will be difficult because the big baby boom generation will resist changes in the program.

So, Mr. President, certainly not later than 10 years from now the country, and the Congress, is going to have to face the pressing need to make changes in the retirement program that will go into effect not later than the year the baby boomers begin to retire. That is not a long time in the development of public policy.

Mr. President, it is important to remember that large Federal deficits threaten the Social Security Program. In fact, I do not think it is an exaggeration to say that they are the main threat to the current, and especially the future, Social Security Program. Social Security benefits to retirees are drawn from the wealth of the society into which they retire. Current and future economic health and prosperity are thus the first line of defense for the current and future Social Security Program.

Most economists believe that growing deficits result in lower productivity and lower living standards. As real wages decline because of large Federal deficits, there will be increasing resistance to paying the taxes necessary to support the Social Security system. Growing deficits also contribute to high interest rates and growing Federal interest payments for Federal debt. Such interest payments can crowd out other spending, including spending for Social Security. Currently, interest payments on the Federal debt are around \$300 billion per year.

It is very important that we begin to get a grip on our deficit spending habits and I think that passage of this balanced budget amendment is the best way to do it.

I want to make one other point, Mr. President. And that is that we must remember that we are considering an amendment to the Constitution of the United States. As a former member of the Constitution Subcommittee of the Judiciary Committee, I had ample opportunity to reflect on the Constitution. That document establishes the basic structure of American Government. It does so with just a few thousand words. Those words outline fundamental principles of our governmental system. They outline fundamental relationships between the branches of Government.

Surely it is inappropriate to include mention of any statute, even a statute as important as the Social Security Act, in a document such as the Constitution.

This is not a precedent we should establish. Once we have added mention of the Social Security Act, what other statutes will future Congresses be tempted to add—statutes which provide veterans benefits? Statutes which provide medical care to the elderly?

We should remember that a constitutional amendment should provide general guidance on basic principles or concepts.

Mr. ABRAHAM. Mr. President, I rise to oppose the amendment offered by Senator REID. The purpose of the amendment is basically sound—to protect Social Security from budget cuts. Most of us support this.

However, in my view, the Reid amendment will likely fail to protect Social Security as well as the intent of the balanced budget amendment—to eliminate billions of dollars of annual deficits.

Right now, we fund Social Security and run up billions of dollars of debt. What the American people want is to protect Social Security from cuts and to put an end to deficits. That is what we propose.

The American people are saying that \$1.5 trillion in taxpayer dollars is enough. Spending 19 percent of national income on Government is enough. They want us to make it work.

But this amendment will have as its long-term effect funded Social Security and billions of dollars in annual budget deficits. This is true because although Social Security will have the political clout to remain a funding priority, the Social Security trust fund will begin to run operating deficits in the year 2013 and will be completely exhausted in the year 2029. Thereafter, Social Security will run large annual budget deficits. While I am confident the Government will continue to make these transfer payments, I am equally certain we will not pay these bills if Social Security is not contained within the balanced budget amendment.

Furthermore, in the short term, this amendment will produce cuts in all other spending programs which will make the cuts opponents of the balanced budget amendment have described as draconian, seem trivial.

For instance, many Senators who support the Reid amendment have warned that in order to balance the budget by 2002—hold harmless national defense, Social Security, and interest on the debt, and pay for the Contract With America's tax cuts, all other Government spending programs would have to be cut by 30 percent across the board.

The irony is that the Reid amendment would have the practical effect of forcing even deeper cuts in Government programs than those about which Senators on the other side have expressed concern.

Here is how this would occur. According to the Congressional Budget Office, the accumulated Social Security trust fund surpluses will total \$636 billion from 1996 to 2002. If we were to remove that surplus from the budget, the annual budget deficit will increase accordingly—and the required reductions in spending would be much more than 30 percent if we must balance that portion of the budget not included in the Reid amendment.

At last Wednesday's Budget Committee hearing, I asked Office of Management and Budget Director Alice Rivlin to give me a rough estimate about how much more spending would have to be cut in all other areas of the budget if we totally remove Social Security from the rest of the budget as this amendment suggests.

Dr. Rivlin told the committee that all other Government programs would have to be reduced by 40 percent. According to the Congressional Budget Office and the Senate Budget Committee staff, spending would have to be reduced across-the-board spending cuts between 40 and 50 percent.

In other words, the amendment will produce massive short-term budget dislocations and no long-term end to the red ink. Accordingly, I will oppose it.

Mr. President, the simple fact is that today Social Security will be protected from budget cuts because an overwhelming number of Congressmen and Senators will vote to protect it. It will be protected after the balanced budget amendment is passed because that same group of Congressmen and Senators will vote to protect Social Security in the balanced budget enabling legislation. And in the future, it will be protected. This is because Social Security will always be able to compete effectively as a budget priority, especially as the number of recipients increases as a percentage of the electorate.

Mr. President, I urge my colleagues to oppose the Reid amendment because it fails to protect both Social Security and the intent of the balanced budget amendment.

I yield the floor.

Ms. MOSELEY-BRAUN. Mr. President, Social Security is without a doubt the most important and the most successful program Government has created in the entire 20th century. We hear a great deal these days about the Contract With America. With all due respect to the drafters of that document, I agree with Senator BYRD—the only contract I have with America is the Constitution of the United States.

However, a close second to the Constitution is the Social Security contract. Social Security represents a real contract with the American people. It represents an almost sacred trust; and our job, as fiduciaries of that trust, is to act with prudence and responsibility, so that Social Security will be there when Americans need it.

The Social Security Act was signed into law by President Franklin D. Roosevelt on August 14, 1935. In 1934, in a speech outlining the objectives of his administration, President Roosevelt stated that,

Our task of reconstruction does not require the creation of new and strange values. It is rather the finding of the way once more to known, but to some degree forgotten, ideals and values. If the means and details are in some instances new, the objectives are as permanent as human nature. Among our objectives, I place the security of the men, women and children of the Nation first.

Accordingly, President Roosevelt announced that he would be sending to Congress a proposal to "Provide security against several of the great disturbing factors in life—especially those which relate to unemployment and old age." That proposal, of course, became what is now our Social Security system. When signing the legislation into law, President Roosevelt noted:

We can never insure 100 percent of the population against 100 percent of the hazards and vicissitudes of life, but we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age.

Sixty years after President Roosevelt uttered those words, his vision has become reality. Social Security has helped millions of Americans avoid living out their final years in destitution. In fact, there is probably no other Federal program that has made such an extraordinary difference in the lives of so many Americans.

As a result, Americans view Social Security as a binding commitment, valid, and enforceable against the Federal Government. It has achieved a special status, and is viewed with reverence by current beneficiaries—and even by many baby boomers, who will be collecting Social Security benefits much sooner than we like to think.

But the same is not true for those in our younger generations. As many of you in this body know, I have a 17-year-old son, Matthew. I have mentioned him often during the course of this debate, because the most fundamental issue at stake in the balanced budget amendment debate—whether the American dream will be alive and well for the next generation and beyond—is so critically important to Matt, and to the rest of his generation.

When you speak to people who are Matthew's age, one thing becomes clear. Young people today—members of the so-called generation X—have absolutely no faith that Government will be there for them when they need it, that it will help them enjoy retirement security, or affordable health care, or the opportunity to enjoy a higher standard of living than their parents had.

And why should they, Mr. President? Since my son was born in 1977, he has never seen a balanced budget. He has no idea what it means to live under a Federal Government that spends within its means. He has heard politician after politician promise to balance the budget, yet has only seen the deficit skyrocket.

Our children have been told, time and time again, that a brighter day is just around the corner. They have been told that the Government will provide for people—including them—in their old age. The Federal Government has told them, time and time again, to trust me. But our children are not stupid. They are every bit as informed and aware of the political system, and how that system impacts on their lives, as

we were at their age. And the failure of politicians to face the facts and acknowledge the difficult choices we face—politicians who would prefer to sweep our fiscal problems under the rug to score points with current voters, at the expense of future generations—has fueled a cynicism about Government that grows deeper and deeper every day, notwithstanding all our efforts to convince people that a brighter day is just around the corner.

The current debate surrounding Social Security—whether it should be on or off budget; whether proposals to keep it off budget should be included in the text of the constitutional amendment itself, or instead be dealt with in implementing legislation—only feeds public skepticism. I spoke the other day of my work on the Entitlement Commission. I believe that one of the most important messages delivered by that body was the warning that, if Social Security is to remain viable well into the next century—allowing it to ensure retirement security for my son Matthew and beyond—there must be reform, Congress must act. Indeed, according to the Social Security trustees, reform is the only way to ensure that Social Security will be there for my son.

I realize that, anytime you mention Social Security reform, people get scared. But there is no reason to fear Social Security reform. Reform will not lower, by even 1 penny, the amount of benefits collected by any current Social Security recipients, or of anyone old enough to be thinking seriously about retirement. Indeed, if the changes are to be viewed as legitimate, they must be known well in advance. They must be long term ones, phased in gradually over time, when an opportunity for all Americans to fully participate in the dialog and debate over what form those changes should take. There are numerous options for reform, but it would be wrong for this Congress to choose any of them in advance of expensive consultation with the American people as to why reform is necessary, and what the merits and problems each option for reform presents.

However, the bottom line is that this debate must take place, a bottom line that is in no way affected by whether Social Security is kept on or off budget. In the long run, it makes no difference. Without reform, we will not be able to keep Social Security's promise to Matt and millions of other Americans.

We need to tell the American people the truth, Mr. President, about our budget problems generally, and about the need for long-term reform of Social Security specifically. The American people don't fear the truth. Far from it. They want to know the truth, and I am confident, that once they have it, they will want Congress and the President to do what the facts require—to act to keep Social Security secure for future generations and to restore real

budget discipline to the Federal Government.

Among the truths Americans have a right to know is this one: America is graying, due both to longer life expectancies and the aging of the baby boomers. When the Social Security system was established, the average life expectancy was 61 years; now, it is 76. This simple truth has numerous implications. Social Security benefits are funded primarily from payroll taxes on current workers. As our population ages, and as the baby boom generation retires, there will be fewer workers to support more retirees. While in 1990 there were almost five workers for each retiree, in 2030, there will be less than three. What that means is that, if current trends remain unchanged, the Social Security trust fund will begin to pay out more than it takes in by 2012. By 2029, the fund will have exhausted all of its previously accumulated surpluses. In other words, without long-term reform, Social Security will not be able to fully meet the promises it has made.

Now, it is true that the long-term Social Security imbalance doesn't have to be fixed today. But it is also true that the longer we wait, the more unnecessary risk for future Social Security recipients we create. So we should act—now.

What we have before the Senate today, however, are not proposals for reform that will guarantee Social Security's long-term solvency. Instead, what we have is a proposal to constitutionally reform Social Security from the budget. Frankly, Mr. President, if I thought this proposal would make any difference at all to the long-term prospect for Social Security—if it would make Social Security's future any more secure at all—I would oppose any balanced budget constitutional amendment that did not include it. More than that, I would filibuster around the clock to prevent the passage of any constitutional amendment that did not contain the Social Security proposal now before us.

And I have to say that I strongly support the idea of taking Social Security out of the budget for purposes of helping the American people understand what our real budget problems are—and what it will take to solve them.

The truth is, however, that this proposal has a short-term focus when our budget problems, and protecting Social Security's future, demand a long-term solution. And the truth is that even adding a provision to the Constitution to take Social Security out of the budget will not be able to accomplish that goal in anything other than in an accounting sense.

I share the view that decisions involving Social Security should be made only for Social Security-related reasons. I do not think Congress should ever make changes in Social Security to solve problems in other areas of the budget. Unfortunately, taking Social Security out of the budget, even via

constitutional amendment, cannot guarantee that. Only the continued active involvement of the American people, only their continuing interest in keeping the Social Security compact intact, can guarantee that.

It is true that for the next 15 to 17 years, Social Security will be running a surplus—it will be taking in more than it spends. I agree that the existence of these annual surpluses does make the consolidated budget deficit look smaller in the relatively short-run. But that surplus is a temporary phenomenon. After about 2012, Social Security will be paying out more than it takes in. After that point, Social Security will be consuming its accumulated surplus.

The temporary or permanent nature of the surpluses perhaps would not be important if it were actually possible to take Social Security completely out of the rest of the Federal Government. However, as long as the Social Security system buys Treasury bonds, it is not. The simple truth is that taking Social Security off-budget won't raise or lower the amount of bonds the Treasury Department will have to issue between now and the year 2002—the date the balanced budget is supposed to be achieved—by even \$1.

Right now, the Treasury Department is selling bonds to the public, both here and abroad, and to the Social Security system. Whether Social Security is part of the budget or not, it will buy exactly the same amount of bonds. And that means that, whether Social Security is part of the budget or not, the Treasury Department will be selling exactly the same amount of bonds to the public—and it is the amount of bond sales to the public that is the real measure of Federal deficits in any given year.

On the other hand, if by the year 2012, when the Social Security trust fund ceases to take in more money than it pays out, the Government will be required to pay off those Treasury bonds. Whether Social Security is part of the budget or not is irrelevant to the fact that the Treasury Department will have to find the cash to pay off those bonds. And there are only three basic ways to do that: issue new bonds to the public, thereby increasing Federal deficits in those years, raising taxes by the amount necessary, or cutting spending on other programs by the amounts needed.

Talking Social Security out of the budget, therefore, does nothing to make our long-term budget problems either better or worse. It does nothing to protect Social Security from the rest of the budget, because Treasury bond purchases and sales continue to bind Social Security tightly to the rest of the budget. And perhaps most importantly, it does nothing to protect the long-term future of Social Security.

After all, as we vote on the balanced budget amendment, we have to keep our eyes on the prize. The point of this exercise is not simply to balance the budget by the year 2002. The point is to

ensure that the budget stays balanced, not merely in 2002, but in each year thereafter. Without taking the steps necessary to reform the Social Security system, it will be impossible to ensure the budget stays balanced.

Mr. President, I know it is not popular to talk about reforming the Social Security system. But the people back in Illinois who sent me to the Senate told me that it was important for politicians to level with the American people. They told me it was important to stand up for what is right, to end the conspiracy of silence surrounding our Nation's fiscal programs—including long-term problems facing Social Security—and to end the practice of ignoring the facts that are staring us in the face.

As I have said before, the American people are tired of the cynical manipulations, the smoke and mirrors, that have been used to obscure our budget problems in the past. The people know that getting our fiscal house in order will not be easy, and certainly will not be painless, but the long-term consequences of not acting are far worse than any short-term pain.

We have to take actions that will actually make a difference, instead of just making us feel good. We need to define the objectives that are important to us as a nation, then work to see how we can most effectively accomplish those objectives. On the issue of retirement security, the American people have spoken loud and clear: there are few, if any, goals as important to Americans. But deciding that the Government should provide old age security is only half the battle; in order to succeed, we need to continuously keep our eyes firmly fixed on the future.

Mr. President, the other day when I spoke of why it was so important that Congress act now on the balanced budget amendment, I pointed out that the Federal deficit for the current fiscal year—estimated at \$193 billion—would not exist if the huge increases in our national debt run up during the 1980's had not occurred. This year, and next year, the budget would be balanced if not for the reckless supply-side economics that caused the deficit to balloon from its 1980 level of about \$1 trillion to its current level or more than \$4.7 trillion. If we had acted in 1980 to tackle the deficit, rather than adopting programs that merely fed its rapid growth, the problems we face today—in terms of demographics, and the aging of the baby boomers—would seem much more manageable.

We, therefore, need to acknowledge that not acting will not make our problems go away. Our ability to guarantee retirement security for all Americans will be much greater if we begin reform of the system now. We need to face Social Security's long-term future not for any reason connected to the rest of the budget, but to meet our responsibility to future generations of Social Security recipients. We cannot afford to let

any distractions related to budgetary accounting keep us from acting on what is really important—keeping Social Security viable.

Because taking Social Security off budget does not help us keep the promise of Social Security alive for future generations, including my own son, I cannot support it. What I do support is keeping Social Security's contract with the American people. And keeping that contract, by acting to protect the long-term integrity of the Social Security system, will help bring greater integrity to the Federal budget generally—and that is a fringe benefit that will help every American.

Mr. CAMPBELL. Mr. President, I would like to take this opportunity to respond to the amendment introduced by my friend, the Senator from Nevada, [Mr. REID] and my other distinguished colleagues on this side.

Social Security, as well as Medicare, has been one of the more successful government-run programs in the history of this country. Every hard-working, taxpaying American participates in these programs—we all have a vested interest in the Social Security program whether we are present or future beneficiaries.

As it stands now, Social Security is set up to go bankrupt in 2029. Only a few years ago, the Social Security program was projected to go broke in 2036.

I acknowledge the fact that Social Security may be on the caboose of this balanced budget train because of its current surplus versus other more problematic programs like Medicare and Medicaid, but this program is still connected to the budget as a whole.

This Senator believes Social Security is vital to a high quality of life for all Americans. It is my belief that the Senators who are offering this amendment are doing so because they, too, believe Social Security is vital to our Nation.

There are indications that an exemption for Social Security is the only way to get the balanced budget amendment through the Senate. As a supporter of the balanced budget amendment, I hope that is not the case. Even so, to keep one of the largest programs in the country out of the balanced budget discussion is fiscally irresponsible and wrong.

It is wrong because it would provide constitutional protection to a single statutory program—Social Security. The Constitution should not be used for this purpose. There are sound reasons to consider ways to keep Social Security solvent beyond 2029 in the coming years. Codifying Social Security in the U.S. Constitution prevents Congress from considering anything that may in fact be intended to preserve Social Security for the future.

The Constitution is not the place to set budget priorities, nor to enshrine statutes passed by Congress. Congress can exempt Social Security through statute.

I would also ask why not, if Social Security, any other worthy program? The argument that Americans have paid into Social Security and should not be denied getting those benefits rings hollow when we all know for a fact that a majority of current and past retirees are receiving or will receive far more in benefits than what they paid into Social Security plus interest.

Americans also pay into a variety of very good and worthy programs as well, in the form of taxes. Should those worthy programs also be exempted using that kind of argument?

Keep in mind that the balanced budget amendment does not specify where the cuts will take place. This language only forces Congress to balance the budget by the year 2002. Year after year, Congress will have the authority, should this measure pass, to choose what cuts will come from what programs.

Social Security would not necessarily have to be cut. This hype we are getting about how necessary it is to have a Social Security exemption in order to preserve benefits is driven by powerful lobbying groups and is unjustified. You and I know that Congress will not vote to cut Social Security benefits to those who need those benefits.

There may be trimmings of benefits for the wealthiest of Americans, but we are not about to vote to deny benefits to the millions of Americans who rely on Social Security as their only source of retirement income. So a constitutional exemption is not necessary.

To prioritize which program or programs are worthy of exemption in the balanced budget amendment will only chip away, piece by piece, the value of a balanced budget amendment and pit one program against another.

Let me take just a few more minutes and read to you a couple letters I have received this month from Coloradans regarding the treatment of Social Security and Medicare, the two largest entitlement programs in our Federal budget. Take for example, Donald Kynion, from Walsenburg, CO, who says:

I feel you should do what is best for the country. If changes in Social Security and Medicare are necessary then make them. Cut spending and too much government!

Or listen to 72-year-old Edith Seppi from Leadville, CO, who says:

I hope you will be fair to all Americans and pass legislation that will cut the debt, even if we all must be a part of the cuts. I hope interest groups will not control the decisions you make. I hope you do what you believe is best for our country. So, count me in on the side that says do the best that you can.

Doing the best that we can, is not allowing certain privileged programs to be exempt from this difficult task of balancing our budget.

If a family was forced to balance their budget for the month, could they be successful by omitting their mort-

gage payments? Where should this family then get the money to make this payment? Where then should Congress find the funds to pay the baby boomers when they retire?

I beg my colleagues not to exempt any program, no matter how successful or useful it is to us, from the balanced budget amendment. If we are forced to balance the budget, all programs on this train, whether they are Medicare, veteran's pensions, unemployment compensation, SSI, and Social Security, will have a chance for a better tomorrow if we balance our budget today.

The balanced budget amendment gives this country hope for a better quality of life further down the tracks. Let us not derail this effort.

Mr. BIDEN. Mr. President, for years now, from the first time this amendment to balance the budget came before us, several of its features have caused me concern.

In addition to the constitutional issues involved in how we will enforce a balanced budget, and the lack of any provision for long-term investments, I have been most concerned by the inclusion of the social security trust fund in the budget that House Joint Resolution 1 requires to be in balance each year.

Those concerns have been the grounds not only for my statements here on the Senate floor, in the Judiciary Committee, and elsewhere, but also for my votes in the last two sessions of Congress.

Last year, I voted for a constitutional balanced budget amendment, one that excluded Social Security from budget calculations.

Back in my State of Delaware, my constituents share my concern about the Social Security trust fund, so when I raise that issue here I am speaking about their worries as well as my own.

Social Security is a unique program with a unique impact on our budget. That is why we voted, 98 to 2, to take it offbudget in 1990.

Here on the Senator floor, Senator REID and Senator FEINSTEIN have shown us the exact language with which we took Social Security offbudget in the 1990 budget agreement.

By the way, Mr. President, we all owe them our gratitude for raising this issue, and for leading the defense of Social Security here on the floor.

That 1990 agreement was made between the bipartisan leadership of Congress and President Bush.

We took that step for a very good reason, Mr. President. We were undertaking significant budget reforms and deficit reduction, and concluded that the most honest bookkeeping procedure would be to keep the Social Security trust fund out of the calculations of the annual budget.

I see no reason to reverse that decision now, particularly in light of its effects on future deficits, and certainly not in the Constitution.

The Social Security trust fund holds a unique position in our political system, and it deserves special consideration as we set a course for the Federal budget that could last for the next 200 years.

The Social Security system has been the very symbol of the National Government's promise to provide a safety net under those who contributed to the trust fund, and by, extension, to this country's prosperity.

Ironically, that same system that has been for so many years a symbol of a promise made and a promise kept is now seen by the generation just moving into the work force—the generation of my sons and, in a few years, my daughter—as a symbol of the Federal Government's duplicity and irresponsibility.

We have all heard that humorous opinion poll finding, that more young people today believe in UFO's than believe that the Social Security system will be there for them when they need it.

That might be funny, Mr. President, if it were not such a sad commentary on the attitude of our young people about our Government more generally.

Of all the harm our inability to manage our finances has caused, that may be the most damaging—the declining faith in our Government's ability, even willingness, to keep its word.

There are of course many reasons for the cynicism of our young people, which is just part of a wider national disaffection.

But at the top of anyone's list of reasons must be the perception that Social Security—the symbol of a responsive Government for my parents' generation—has become for my children's generation the symbol of a Government that takes from the unorganized and gives to the people with the best lobbyists.

For my parents' generation, Social Security is symbol of a Government guarantee of a secure future; for my children's generation, it is a symbol of why they are increasingly insecure about the future.

I'm afraid, Mr. President, that keeping Social Security in the budget—by constitutional mandate, no less—we may well prove those skeptics right.

Let there be no mistake, Mr. President, the money in the Social Security surplus—\$69 billion this year alone, and it will accumulate to nearly \$3 trillion by the year 2020—will be far too tempting for us if we are to be bound by the Constitution to balance our budgets.

Those funds could be used to ease a lot of short-term pain as we face the major budget choices needed to lower our deficits.

It is precisely because we do not trust ourselves or future Congresses to write responsible budgets that we are considering this balanced budget amendment right now.

If we leave an extra \$3 trillion on the table do we really expect that we will leave Social Security alone?

This fiscal year, we will have the benefit of a \$69 billion Social Security surplus, that under the terms of the balanced budget amendment, we would be constitutionally allowed to use to make the deficit in the rest of the Government's operations look smaller.

By the year 2002, that Social Security surplus will be \$111 billion. Every year thereafter, the annual surplus will grow, as it should, to cover the future obligations of the Federal Government to Social Security beneficiaries.

And therefore, every year the task of balancing the budget to meet the requirements of the balanced budget amendment will be that much easier. At least, Mr. President, for the short term.

Mr. President, by the very logic that led to this debate today, we will use that money to delay those tough choices for future decades.

If we lack the will to do the right thing about our deficits without a constitutional requirement, why should we be trusted to leave Social Security alone if its surpluses will help us avoid some of the political pain of complying with the Constitution?

The Social Security system is not the cause of today's deficit problem; it should not be made the short-term solution for those problems, either.

That is why we should protect Social Security by accepting the Reid amendment.

To be sure, the system faces its own imbalances—even monumental deficits—all too soon, when the baby boomers retire.

At that time, the Social Security system will begin a freefall into deficits that will eventually swamp the rest of the Federal budget in red ink.

At that time, our problem will be the reverse of the short-term temptation to use the current surplus to mask the cuts needed to get the rest of the budget into balance.

When the Social Security trust fund heads south, when its surplus becomes an increasing deficit, we will then be scrambling to find ways to cut the rest of the budget to accommodate the requirements of the Constitution.

The Social Security balances will accumulate surpluses up to roughly 2020, when the whole system just falls right off the table, as we spend out at a rapid rate to meet obligations to an increasing number of retiring baby boomers who will be supported by a declining number of workers.

The Social Security system's financial problems are driven by a number of factors, some of which we can control. But there is one factor that will always be beyond our control.

Demographic trends—the most famous of which we call the baby boom—will determine how many beneficiaries will be receiving benefits from the system and how many workers will be paying their payroll taxes into the system.

The Social Security system—no matter how well our policies are designed—

cannot be balanced on an annual basis but must be balanced over decades, even over generations.

Therefore, unless we do away with Social Security all together, the balanced budget amendment will mix—in the constitutional definition of the budget—programs with very different balances.

I might add that is the same problem we will have if we neglect to provide for a capital budget, a way of carrying the cost of long-term assets on our books without having to count them as a current expense.

By attempting to lump every kind of activity into a single definition of the budget, the balanced budget amendment ignores the kinds of distinctions we all make in our daily lives.

Mr. President, we all distinguish between our savings accounts, our mortgage payments, and our monthly checkbook balances.

We do not count our savings account balances—or the balances in our retirement accounts—when we balance our checkbooks every month. In the real world, it wouldn't do us any good anyway—we would still have to pay our bills.

Unless we intend to use that retirement account to pay our current monthly bills, that retirement account should not even be considered when we balance our checkbooks.

Unless we intend to use the Social Security surplus to cover annual operating expenses, Mr. President, there is no reason to keep the Social Security trust funds in the constitutional definition of our annual budget.

No one here would deny that Social Security needs fixing on its own terms. And, Mr. President, we all know that we will never give it the attention it needs if we are able to hide behind a constitutional definition of the budget that uses the surplus to mask the true extent of the deficit in the rest of the Government's operations.

I for one don't for a minute think that those choices—how to cut the deficit—will be made easier if we hold the system apart from the rest of the Federal budget.

They will not be made more easily if we accept this amendment, Mr. President, but they will be made more honestly.

Those tough choices should not be tangled up with the solution for other budget issues not caused by the Social Security system.

The Reid amendment will preserve the Social Security system's unique place in our laws, and will permit us to address its very real problems on their own merits.

That is, after all, only what the opponents of the Reid amendment say they want, too—to keep Social Security off the table when we start the cutting that will be required to comply with the balanced budget amendment.

If that's what they want, then let them join us in taking it off the table now.

Surely, they cannot argue that Senator DOLE's amendment that we accepted earlier provides the protection that Social Security needs and deserves.

As Senators HOLLINGS and HEFLIN have conclusively argued, once the Social Security system is included in the constitutional definition of the Federal budget, no mere statute or statement of this Congress' intention will prevent future Congresses from using the Social Security surpluses to comply with the balanced budget requirement.

So we can talk all we want about what we would do, or what we expect future Congresses to do. The Reid amendment takes care of this problem at its roots, in the Constitution.

Even with Senator DOLE's amendment, the temptation to use these funds—and the equally distressing prospect of saddling ourselves with those future deficits—will always be there.

Even now, Mr. President, despite the apparently bipartisan chant that we should keep our hands off of Social Security, there are other voices out there that we should be aware of, too.

The new Speaker of the House, in his opening address on January 4, referring to the balanced budget amendment, said, and I quote, "I think Social Security should be off limits, at least for the first 4 to 6 years, because I think it will just destroy us if we bring it into the game."

And the chairman of the House Judiciary Committee, during hearings on the balanced budget amendment, said that failure to include the assets of the Social Security system "would require us to make spending cuts more sweeping than currently contemplated."

In other words, the House chairman intends that those funds be available to make the transition to a balanced budget easier—to cover the deficit in the rest of the budget with the assets set aside for future Social Security beneficiaries.

It is statements like that, Mr. President, that make me more than a little concerned about the future of Social Security, especially now that the majority has rejected our call for a specific plan to bring our budget into balance.

Having failed to get any specifics about a plan to get us to a balanced budget, we are now asking a much narrower, more focused, and easier question: "Will you leave Social Security out of the constitutional definition of a balanced budget?"

Mr. President, that is all that Senator REID's amendment calls for—an honest accounting of one very important program. It calls for an honest accounting of how we will deal with the Social Security system.

Those of us who want an honest accounting will vote for this amendment. I cannot understand why anyone would vote against it.

Mr. NUNN. Mr. President, I rise today to announce my support for the

Reid amendment to the constitutional balanced budget amendment. This amendment proposes to exempt explicitly Social Security from the constitutional balanced budget amendment.

I support the Reid amendment for one fundamental reason. Its passage would promote truth in budgeting to the American people. For the past 10 years, the surplus from the Social Security trust fund has been used to mask the size of the annual Federal deficit. Instead of being saved or invested to pay for the retirement of the baby boom generation in the next century, the surplus is being borrowed and used to pay for general fund obligations. Its use in this fashion understates the annual deficit by \$70 billion in fiscal year 1995, and this amount will keep increasing each year between now and 2002, at which point the general fund will have borrowed \$1 trillion from the Social Security trust fund. Over the next 7 years, the general fund will borrow and spend over \$630 billion from the Social Security trust fund. I oppose the use of these surpluses in this fashion. I believe we are setting a fiscal time bomb for the next generation.

I understand well why many of my colleagues oppose the Reid amendment. Its passage would make the job of balancing the budget, a goal I support with or without the constitutional balanced budget amendment, more difficult. Under current projections, over \$1 trillion in deficit reduction will have to be found over the next 7 years to bring the budget in balance by 2002. Not being able to use the Social Security trust fund surplus would require an additional \$110 billion in deficit reduction in the year 2002 in order to balance the budget that year.

Budget cuts of this magnitude cannot be made painlessly, although there is a continuing search for such painless methods in order to avoid facing the tough decisions. Realistically, I think the passage of this amendment would mean also that the time frame for balancing the budget would have to be extended, probably by about 3 years.

There are some who are promoting the Reid amendment as an effort to avoid all tough decisions on Social Security and to pretend that the system can remain unchanged. I dissent from this view. We must dispel the notion that everything is well with the Social Security trust fund. The important findings of the Kerrey-Danforth Bipartisan Commission on Entitlement and Tax Reform clearly spelled out the demographic and fiscal challenges which confront the Social Security system. Thirty years ago, there were four workers for every Social Security beneficiary. Today, there are only three. Thirty years from now, there will be only two. If we do nothing, we know what awaits us. In 2013, receipts from payroll taxes will no longer pay for Social Security benefits. And their news gets even worse—in 2029, if no changes

are made, the Social Security system will be insolvent.

Some who support this amendment view it as rendering Social Security untouchable. I not only disagree with this interpretation; I believe that considering Social Security untouchable will bring about the long-term insolvency of the Social Security program.

My reasons for voting for the Reid amendment are simple. I believe that we are courting fiscal disaster by continuing to use social Security surpluses for general funding programs—in effect putting IOU's from the general fund into the Social Security trust fund for these borrowed funds.

According to the Social Security Board of Actuaries, by the year 2013, when payroll tax receipts will no longer cover the cost of Social Security benefit payments, the general fund—the taxpayers of America—will owe the Social Security trust fund over \$2.5 trillion.

This means that when the demographics turn around in 2013, the general fund will have to begin paying back the Social Security trust fund. At this point, the Social Security trust fund will remain solvent, but the general funds will be under severe pressure because of the debt which must be repaid each year.

The dilemma is that for the next 18 years, based on current projections, excluding Social Security from the constitutional balanced budget requirement will require a tighter fiscal policy and more efforts to balance the budget. Once the Social Security trust fund begins running a deficit, the exclusion will make fiscal policy less stringent.

I believe that we must begin to realize that we are mortgaging the future for the taxpayers in years ahead unless we balance the budget without using the Social Security trust fund surpluses. These surpluses should be invested in outside activities beyond the reach of the Federal Government, so that we will no longer borrow these surpluses and mask the true fiscal picture.

One of the three central findings of the Strengthening of America Commission, which I cochaired with Senator DOMENICI, was the need to balance the budget by the year 2002 without using the Social Security surplus. The Commission did not advocate a adoption of a balanced budget amendment, but the balanced budget amendment we have before us, as amended by the Reid amendment, would be consistent with the recommendations of our Commission: balancing the budget by the year 2002 without using the Social Security surplus. Our Commission, however, believed that getting to a real balance without using the Social Security surplus would require 10 years rather than 7.

I believe solutions for Social Security's long-term problems can be found and enacted in a fashion which will

preclude cuts in benefits for current retirees or those about to retire, and provide for the long-term fiscal soundness of the Social Security system. But if we ignore the long-term challenges facing the Social Security system, its future is at risk.

I think it is important to note that the Reid amendment does not make Social Security a constitutionally protected benefit. It merely excludes it from the calculations under this amendment. The challenge of finding a way to keep the Social Security program solvent into the 21st century remains, with or without the Reid amendment. Indeed, even a constitutional amendment that did purport to guarantee Social Security benefits would be futile. The only guarantee that future benefits can be paid is future economic growth. No amendment can guarantee people a slice of a pie that does not exist.

I do not view this amendment as a vote to make a particular Government benefit program a constitutional right. I certainly do not view it as the first step in an effort to place one program after another outside the bounds of the budget process, exempt from scrutiny. Social Security is a unique program with a unique demographic and financial situation. It has a large surplus today, and it will have even larger deficits in the future. My vote for the Reid amendment is in recognition of the fact that we need two solutions: a long-term solution for Social Security, and a long-term solution for the rest of the Federal budget.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, we have had a good debate on this amendment, as we promised the distinguished Senator from Nevada we would have.

I do believe now we have come to a point where we would like to conclude action on this very important legislation this week. We have been on it now, this is the 11th day, as I calculate. And I hope, I think, the votes are there. Or they are not there. The 67 votes are there or they are not there.

I think there is broad bipartisan support for protecting Social Security, though I must say, personally, sometime—the Entitlements Commission pointed out earlier—we will have to face up to some of these issues. Senator Danforth and Senator KERREY issued a report last December. But I think for the moment, everybody is willing to protect Social Security. We voted 83 to 16 to adopt a sense-of-the-Senate amendment stating we should not raise Social Security or cut Social Security benefits in order to balance the budget.

On Friday, we adopted a motion reaffirming that commitment by a vote of 87 to 10. We will be putting forward—and in fact, Senator DOMENICI is working on it right now—a 5-year plan to put the budget on a path to balance by 2002.

Our plan will not raise taxes. Our plan will not touch Social Security.

Everything else, every Federal program, from Amtrak to zebra mussel research, will be on the table, including agriculture, which talk show hosts always ask me about, since I am from Kansas. Everything will be on the table.

I urge my colleagues on both sides of the aisle to vote to table the Reid amendment.

Mr. President, I move to table the Reid amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Missouri [Mr. ASHCROFT] is necessarily absent.

Mr. FORD. I announce that the Senator from New York [Mr. MOYNIHAN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 57, nays 41, as follows:

[Rollcall Vote No. 65 Leg.]

YEAS—57

Abraham	Frist	McConnell
Bennett	Gorton	Moseley-Braun
Bond	Gramm	Murkowski
Brown	Grams	Nickles
Burns	Grassley	Packwood
Campbell	Gregg	Pressler
Chafee	Hatch	Robb
Coats	Hatfield	Roth
Cochran	Helms	Santorum
Cohen	Hutchison	Shelby
Coverdell	Inhofe	Simon
Craig	Jeffords	Simpson
D'Amato	Kassebaum	Smith
DeWine	Kempthorne	Snowe
Dodd	Kerrey	Stevens
Dole	Kyl	Thomas
Domenici	Lott	Thompson
Exon	Lugar	Thurmond
Faircloth	Mack	Warner

NAYS—41

Akaka	Feinstein	Levin
Baucus	Ford	Lieberman
Biden	Glenn	McCain
Bingaman	Graham	Mikulski
Boxer	Harkin	Murray
Bradley	Hefflin	Nunn
Breaux	Hollings	Pell
Bryan	Inouye	Pryor
Bumpers	Johnston	Reid
Byrd	Kennedy	Rockefeller
Conrad	Kerry	Sarbanes
Daschle	Kohl	Specter
Dorgan	Lautenberg	Wellstone
Feingold	Leahy	

NOT VOTING—2

Ashcroft Moynihan

So the motion to lay on the table the amendment (No. 236) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BURNS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. HATCH. I object.

The PRESIDING OFFICER. There is an objection.

The legislative clerk continued with the call of the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

CLOTURE MOTION

Mr. DOLE. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators in accordance with the provisions of rule XXII of the Standing Rules of the Senate do hereby move to bring to a close debate on House Joint Resolution 1, the constitutional balanced budget amendment:

Bob Dole, Orrin G. Hatch, Larry Craig, Trent Lott, Bill Frist, R.F. Bennett, Kay Bailey Hutchison, Alfonse D'Amato, Jon Kyl, Fred Thompson, Ted Stevens, Olympia J. Snowe, John Ashcroft, Craig Thomas, Conrad Burns, Mike DeWine, Judd Gregg, Rick Santorum, Rod Grams, Lauch Faircloth.

Mr. DOLE. Mr. President, we have had, I think, now 10 or 11 days of debate. Nobody has been crowded. Everybody has been given all the time they need.

It seems to me, if we are going to continue with our work in the Senate—we have a number of matters we would like to bring up—we need to come to a vote one way or the other, a final vote on the balanced budget amendment. Knowing it takes 67 votes, and knowing there is bipartisan support, we have tried to approach it on that basis. I congratulate the Senator from Utah, Senator HATCH, and others, Senator SIMON and others who have been debating some of the very important issues—including Senator REID who has just completed I think 3 days of debate on an amendment.

What we would like to do—obviously we want to finish action on this measure by Thursday evening, this Thursday evening, if at all possible. That will be our intent. If not, we will come back on next Wednesday and finish it next week. I do not believe anybody—there was some misunderstanding on unfunded mandates. We thought we understood what was happening but then there was this big flap about there was not any committee report, even though